

# METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



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## MEMORANDUM

**To:** Vice Mayor Diane Neighbors  
Members of the Metropolitan Council

**From:** Richard M. Riebeling   
Director of Finance

**Date:** September 10, 2014

**Subject:** Gulch Pedestrian Bridge

Since taking office nearly seven years ago, this administration has included core infrastructure such as sidewalks and roads as a priority. We are aware of the keen interest in sidewalks held by this community and the Metro Council. Accordingly, the current fiscal year capital spending plan included a significant increase in sidewalk funding to \$17 million increasing the total amount funded for sidewalks to \$57 million.

I wanted to state this up front as we move forward on legislation authorizing land acquisition for the Gulch Pedestrian Bridge. As you know, this legislation was deferred earlier this year partially due to concerns that funds proposed for the project could be used for other infrastructure needs such as additional sidewalks across the county. First suggested in the Sobro Master Plan, the bridge will provide critical pedestrian and bike connectivity to the rapidly growing Gulch and Sobro areas of Nashville.

Since deferral of Metro Council legislation we have attempted to address concerns we heard including:

- Increasing funding for sidewalk projects across the county
- Improving the design to be more accessible for bikers and pedestrians
- Including the project specifically in the FY2015 Capital Improvements Budget approved by the Council in June

And, most importantly, we have identified a funding method so the project is paid for by developments that will most directly benefit from its construction. We have identified seven properties within the Arts Center Redevelopment District (includes the Gulch and the area across the bridge span) that will pay for the project within seven years.

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Under State law, MDHA is entitled to retain the property tax increment once tax increment loans are repaid. They have worked with this and prior administrations on using these revenues to assist in constructing public and other civic improvements such as Church Street, Rolling Mill Hill, the new Sounds ballpark at Sulphur Dell, and the Country Music Hall of Fame expansion.

Therefore, instead of relying on the general tax base of the Metropolitan Government, we will work with MDHA so the property taxes received from the seven properties listed below are maintained by Metro (to recoup the cost of the pedestrian bridge) and put into the City's debt service fund rather than sent to MDHA.

In addition, this financing mechanism has the added benefit of freeing up the \$18 million originally included for the pedestrian bridge in the 2014 capital spending plan which should allow for increased funding for sidewalks when the next capital spending plan is proposed in the spring.

Over the next several weeks, residents and property owners in the Gulch and Sobro area intend to contact the Council to let you know how critical they feel this project is for the ultimate development of the area. Nearly 2000 people now live in the Gulch alone and another 2000 work in the area, with many more on the way. Over the last decade, annual property taxes just from Market Street developments in the Gulch have increased from a negligible amount to well in excess of \$4 million.

Since BL2014-670 has been deferred for several months, Council Lady Gilmore has asked that it be placed on the agenda for the September 16<sup>th</sup> meeting although Metro Council rules call for an automatic one meeting deferral.

We look forward to answering any questions you may have as this issue comes up for discussion before the Council. As always, please feel free to contact me for more information.

**PROJECTS TO FUND THE GULCH PEDESTRIAN BRIDGE:**

- ICON—A 417-unit condominium and mixed-use project
- Mercury Loft—a 52,000 square foot retail development with 32 apartments
- Gulch Crossing—a 200,000 square foot office building under construction
- 1212—a 286-unit condominium project under construction
- 1201 Demonbreun—a 200,000 square foot office building under construction
- Laurel—a 48-unit residential and retail project
- Bohan Building—a 62,000 square foot office development

Copy: Jon Cooper